

SPECIFICATIONS

FOR MAGNETIC MEDIA FILING

OF

CURRENCY TRANSACTION REPORTS

(FORM 4789)

And

Designation of Exempt Person

(TDF 90-22.53)

REVISED FEBRUARY 1999

**DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE**

These Specifications for Magnetic Media Filing of Currency Transaction Reports (Form 4789) and Designation of Exempt Person (Form TDF 90-22.53) were developed under the sponsorship of the following organizations:

Department of the Treasury

Deputy Assistant Secretary for Enforcement

Internal Revenue Service

Director, Detroit Computing Center

Purpose

The purpose of this specification is to provide the requirements and conditions for filing Currency Transaction Report (CTR) Form 4789 and Designation of Exempt Person (DEP) Form TDF 90-22.53 on magnetic media. These specifications apply to the program for the filing of CTRs submitted on magnetic tape, cartridge, or diskette.

The magnetic media forwarded to the Detroit Computing Center (DCC) will be considered as a substitute for the Form 4789 paper document and Form TDF 90-22.53, provided the transaction is accepted by the DCC system. Receipt and acknowledgment of magnetic media is further discussed in a later section.

Approval to participate in the magnetic media reporting program is contingent upon the filer following these steps:

- Review specifications
- File application to participate
- Satisfy acceptance testing procedures
- Receive formal DCC approval
- File reports no more than every two weeks
- Monitor quality

Continued participation in the Magnetic Media Program is contingent upon maintenance of quality standards and timely reporting.

Application for Magnetic Media Reporting

For the purpose of this specification, the FILER is the organization responsible for filing the CTR. Filers are required to complete an Application for Magnetic Media Reporting (Form DCC-4419, copy in attachments). Requests for additional information or forms related to magnetic media processing should be addressed to the CTR Magnetic Media Coordinator at the DCC.

The application should be filed with DCC as soon

as possible after the decision is made to file magnetically. DCC will notify the applicant, in writing, of authorization to file. Magnetic media returns may not be filed with DCC until the applicant has received formal approval.

Filing of Magnetic Media Reports

General:

DCC will advise magnetic filers when they may begin to file using magnetic media. Until this notification has been issued, magnetic media will not be accepted.

If the magnetic filing system encounters problems which appear will remain unresolved for a potentially lengthy period, the filer will be advised to stop magnetic filing until the problem has been resolved.

Do not file a paper CTR (Form 4789) or DEP (Form TDF 90-22.53) for currency transactions which are reported by magnetic media or for customers which have been exempted by magnetic media.

If entire files are unreadable due to format errors, etc., ***we will contact the transmitter by telephone*** to send a replacement for the file.

Invalid transactions on a file, however, should be corrected and resubmitted as part of the file for the next full reporting period. A filer whose error rates are at a high level on a continuing basis may risk being discontinued as a magnetic media filer.

Filers are required to retain a copy of the CTR and /or DEP data or have the ability to reconstruct the data filed magnetically for a period of five years. In addition, **the magnetic filer must retain the acknowledgment** from DCC to facilitate inquiries for the same period as well as any 'working' papers which may be necessary for centralized keying of transactions.

Aggregation is to be handled no differently using magnetic media filing than it would be if filing paper CTRs.

Transmittal Process:

The magnetic media files are to be sent to DCC. Form(s) DCC-4804 and DCC-4802 (for multiple filers), Transmittal for Magnetic Media Reporting of Currency Transactions must accompany magnetic submissions.

(See attachments) **DO NOT MAIL THE MEDIA AND THE TRANSMITTAL SEPARATELY.** A facsimile of Form 4804 and/or Form 4802, which includes all information requested on the actual form may be used. Substitute forms should follow the format of the transmittal form.

The affidavit on DCC-4804 should be signed by the filer; however, an agent may sign the affidavit on behalf of the filer if all of the following conditions are met:

- The agent has been designated the authority to sign the affidavit under an agency agreement (either oral, written, or implied) that is valid under any state law.
- The agent signs the affidavit and adds the caption 'For: (Name of Filer)'.

See Form 4800 (CTR Magnetic Media Reporting Instructions) in the attachments for detailed instructions. Although a duly authorized agent signs the affidavit, the filer is held responsible for the accuracy of the Form 4804.

All submitted magnetic media files, must include the following:

- A signed Form 4804 or facsimile.
- The magnetic media with an external identifying label.
- A statement on the outside of the shipping container that states **Attn: Tape Library**, 'Deliver unopened: CTR

Magnetic Media ; __ of __'. If there is only one container, mark the outside as 1 of 1. For multiple containers, include the sequence (e.g., 1 of 3, 2 of 3, etc.).

DCC will not pay for or accept 'Collect on Delivery' or 'Charged to IRS,' shipments of CTRs on magnetic media that an individual or organization is legally required to report.

Data Sequencing and Validation Criteria:

The following data controls must be adhered to or the CTR magnetic media will be rejected. The data records must be in the following sequence:

- Transmitter (1A)
First record on the file - must be only one.
- Financial Organization (Parent) (2A)
One of this record type for each parent financial institution (FI) on the file. This record type immediately precedes all records relating to the parent FI.
- Financial Organization (Branch) (2B)
One of this record type for each branch reporting within the parent FI. This record type precedes all transaction records for the branch.
- Currency Transaction (3A)
One of this record type for each currency transaction being reported for a branch. The Customer Account record will follow the 3A record if needed.
- Customer Account (3E)
One of this record type for each customer account affected by this currency transaction.
- Transactor Part I, Section B (4A)
One of this record type for each person conducting this transaction. These

records are not required if one of the Part I, Section B Reason Incomplete codes has an appropriate entry. However it is the responsibility of the financial institution to provide as much information as possible.

- Owner Part I, Section A (5A)
One of this record type for each person or organization on whose behalf the transaction is conducted.
- Owner DBA, Part I, Section A (5A)
This record is a continuation of the 5A record to allow the Doing Business As (DBA) name if available.
- Branch Summary (9A)
One record for each branch of an FI being reported. It is the last record for the branch.
- Financial Institution Summary (9B)
One record for each FI reported. It is the last record for the FI and follows the 9A record for the last branch reported.
- Designation of Exempt Person (9E)
One of this record type for each exempt person being reported by a FI. The FI information will relate to the Parent FI 2A record. This record is not required but is used to file DEP, form TDF 90-22.53 magnetically.
- Designation of Exempt Person Continuation (9F)
If you have a 9E record you must have a 9F continuation record.
- File Summary (9Z)
Last record on the file - must be only one.

Records that fail to meet these requirements will be coded as correspondence errors and returned to the filer for correction.

Acceptance Procedures:

Filers will be sent an application form, a Declaration Statement and a copy of the Specifications for Magnetic Media Reporting. When ready to file, the Filer will be asked to provide a test file to DCC.

The testing process will be as follows:

- The test data should consist of a set of sample returns, containing data normally supplied by the filer. The test file should contain between 50 and 100 documents.
- Upon receipt of the filer's test file DCC will test, review and provide feedback to the filer within ten working days.
- If 95% of the filer's test documents are error-free and the file is correctly formatted, an acceptance letter will be issued.
- When a test file is not acceptable, DCC will identify the errors and discuss the necessary corrections with the filer. When the errors are corrected, the filer should send a new set of test data to DCC. The filer is responsible for correcting their software to eliminate errors. If, after three attempts, the filer's test file continues to be unacceptable, the filer must develop an acceptable plan for correcting deficiencies before any further tests.
- Accepted filers will be notified and issued a Transmitter Control Code (TCC). The filer must contact DCC to establish a schedule for transmitting live magnetic returns.
- When the same service bureau system is used by several filers, only one test file of magnetic returns is required to cover the acceptance of all participating filers.

Filing Dates

Magnetic media is filed on a biweekly basis (i.e., January 1, 1997 - January 14, 1997). Magnetic media must be prepared and submitted to DCC for processing as soon as possible after the reporting period ends. A fixed reporting cycle will be established for each filer.

In order to allow the filer sufficient time to accumulate all data, create the magnetic media file, and forward the file to DCC, Treasury has determined that all transactions filed on magnetic media will be considered filed timely if received by the Service **no more than 25 calendar days after the date of the transaction.**

Receipt and Acknowledgment of Magnetic Media Files

Each CTR will be acknowledged to the transmitter as soon as possible after receipt. The transmitter should immediately match the acknowledgments to the original file transmitted.

If the acknowledgment file is not received by the filer, the CTRs **are not considered filed and MUST be resubmitted.** This could be a result of unreadable data or a tape which cannot be processed.

Any CTR which contains errors will be flagged and error codes indicating the reason for the error(s) will be returned via acknowledgment record. These error situations should be corrected and the records sent back to DCC as correction records and not as amendments. The acknowledgment record will include only error codes and the minimum information needed to identify individual CTRs. **The logical record length of each acknowledgment record will be 57 characters, blocked 5700.** It will contain up to the first eight error codes. See the Acknowledgment Record Formats section.

DCC acknowledges receipt by inserting a document control number in the DCN field of

the CTR 3R Record and the DCN field of the Designation of Exempt Person 9R Record. **The DCN number must be included** when resubmitting corrections for those records flagged because of errors.

If you receive acknowledgment of transactions which you did not file or you do not receive acknowledgment for transactions that you did file, please notify the CTR Magnetic Media Coordinator as soon as possible. The Help Desk Phone Number at DCC is (313) 234-2000.

The records on the acknowledgment file will also serve as correspondence to the filer, with the error codes of each record indicating the error(s) which initiated the correspondence.

Filing Amended Reports

If a magnetically filed CTR must be amended, you must file a complete replacement CTR. **All fields must be completed with the correct information, NOT JUST THE DATA FIELDS NEEDING CORRECTION.** If the original CTR was magnetically filed, then any amendments must also be magnetically filed. **Amendments to magnetically filed CTRs must include the DCN from the acknowledgment record, along with the amendment code indicator.**

Magnetic Media Coordinator Contacts

Direct all requests for Magnetic Media related publications, information, or extensions to the following address:

**Internal Revenue Service
P.O. Box 32063
Detroit, MI 48232-0063
BSA Support Group I, 4th Floor
CTR Magnetic Media
Voice Number (313) 234-2011
Fax Number (313) 234-1614**

General Specifications

Tape/Cartridge Specifications:

These specifications define the file characteristics acceptable for magnetic media reporting. These characteristics must be adhered to unless specifically authorized by the DCC in writing.

All records should be fixed in length to the size specified for each record type. The standard file characteristics are nine track, EBCDIC, odd parity, 6250 BPI and **standard labels**. The standard data set name to be used on tapes/cartridges is **ITFMP.CI047.C4789**. All deviations from the above must be approved in writing by DCC.

Tape Files must have the following:

- Type of tape - 0.5 inch (12.7mm) wide, computer grade magnetic tape on reels of up to 2400 feet (731.52m) with:
- Tape thickness 1.0 or 1.5 mils
- Reel diameter: 10.5 inch (26.67 cm), 8.5 inch (21.59 cm), or 7 inch (17.78 cm)
- Inter-record gap - 3/4 inch

An external label must appear on each tape/cartridge submitted for processing. The following information should appear on the label:

- The transmitters name
- Date of preparation
- **A reel number assigned by the preparer which must match the reel number on the internal label (6 alpha numeric characters)**
- Number of reels in file
- Reel sequence number (i.e., 01 of 08)

Note: To allow better control and enhance processing of your files, uniquely numbered tape/cartridge numbers must be transmitted when using multiple tape/cartridges.

The above information will assist DCC in processing and returning tapes correctly. Tapes will normally be returned within 30 days of receipt, however they may not be returned in the same shipping containers received.

The tape and cartridge records defined in these specifications should have a block size of **14,960 characters**.

For the purposes of these specifications the following conventions must be used for internal labels:

- Header Label

Standard headers provided they begin with 1HDR, HDR1, VOL1, VOL2, UHL1, or 'b LABEL'. Consist of a maximum of 80 positions.

- Trailer Label

Standard trailer labels may be used provided that they begin with 1EOR, 1EOF, EOR1, EOF1, EOVI, or EOVI2. Consist of a maximum of 80 positions.

Diskette Specifications:

These specifications define the file characteristics acceptable for diskette media reporting. These characteristics must be adhered to unless specifically authorized by DCC in writing.

All records should be fixed in length to the size specified for each record type.

The standard file characteristic is a 3.5 inch diskette double sided/double density or double sided/high density. The standard data set name to be used is **CTR4789**. All deviations from the above must be approved in writing by DCC.

All diskettes must be generated using MS-DOS on an IBM compatible personal computer in ASCII mode. All alphabetic characters must be in the

upper case only.

An external label must appear on each diskette submitted for processing. The following information should appear on the label:

- The transmitters name
- Coverage beginning and ending dates
- Date of preparation
- Number of diskettes in file
- Diskette sequence number (i.e., 01 of 03)

The above information will assist DCC in processing and returning diskettes. Diskettes will normally be returned within 30 days of receipt, however they may not be returned in the same shipping containers.

The diskette records defined in these specifications should be unblocked 220 character records. The industry standard record delimiter for diskette data records is the two byte combination of “0D0A” hexadecimal characters (carriage return, line feed).

Overview of File

All original, replacement, amendment, and late report filings can be submitted on magnetic media. The DCN assigned to the error record must be included. The DCN must also be included for amendments, along with the amendment indicator code.

All dates are to be in the format of century, year, month, day with month and day both **being right justified and zero filled.** (CCYYMMDD)

Money amounts are 10 positions for detail and 12 positions for summaries and **should be right justified and zero filled.** Enter dollar amounts only. All cents should be rounded up to the next higher dollar amount (i.e., \$10,000.01 should be reported as \$10,001).

The transaction sequence number which is generated by the transmitter will be used in the acknowledgment records sent back to the

transmitter. This will be a five digit field starting with one and incremented by one for each succeeding currency transaction report. **It is to be right justified and zero filled.**

All name, address, and city fields are to be **left justified and space filled.**

All name and address fields relating to CTR data must follow the Name Editing Conventions specified in the attachments.

Account numbers must NOT contain leading zeroes unless they are part of the actual account number. All entries must be **left justified and space filled.**

Do not include lower case characters.

All ‘Filler’ fields should be space filled. **Do not use low values** as a substitute for spaces. Blank fields must be space filled.